
**Fermanagh and Omagh
Council**

**Local Development Plan
2030**

**Draft Policy HOU 03 –
Affordable Housing**

Objection

December 2018

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1.0 Draft Policy HOU03 – Affordable Housing in Settlements

1.1 We consider that this Draft Policy HOU03 – Affordable Housing in Settlements and the overall Draft Local Development Plan is unsound for the following reasons, namely:-

Planning Policy Context.

The Strategic Planning Policy Statement.

1.2 Under Affordable Housing in the implementation section of the SPPS at Paragraph 6.143 it discusses in detail the requirements to provide social/affordable housing on land identified by a Housing Needs Assessment (HNA) carried out by the Northern Ireland Housing Executive. It identified the development plan process as the primary vehicle for identifying and zoning land by indicating, through key site requirements, where a proportion of a site may be required for social housing. This text accords with the justification and amplification section set out in Policy PCP4 of PPS12

1.3 The SPPS gives no adequate guidance on affordable housing (including social rented housing). Neither the SPPS or PPS 12 set out clearly the policy tools that the new councils are expected to use in plan making to secure affordable housing. We cannot see how councils can proceed with planning policies within local development plans for affordable housing considering the lack of regional planning policy guidance on this matter. We believe that Council's cannot bring in these policies until the planning policy context, planning principles and methodology for affordable housing are set out and properly defined in a new PPS.

PPS 12 – Housing in Settlements.

1.4 PPS 12 states that the planning system has an important role to play in creating communities with a wider range of housing in terms of tenure, size, type and affordability. Planning Control Principle 4 "Balanced Communities" states that social housing should be provided by developers as an integral element of larger housing developments where a need is identified. A mix of house types and sizes should be provided to provide choice and assist in meeting community need. PCP 4 can apply to local development plans. However, Policy H2 only applies to planning applications. PPS 12 suggests the use of planning agreements/planning conditions may be used to secure a portion of social housing in new developments, which is absent from the SPPS. HS2 Social Housing contains clarification on the provision of a suitable mix of housing and tenures where the need has been identified.

- 1.5 The policy guidance provided for affordable housing in terms of PPS 12 and the SPPS is extremely limited for Council's bringing forward planning policies for affordable housing for local development plans in Northern Ireland.

Draft PPS 22 – Affordable Housing.

- 1.6 The provisions of Draft PPS 22 do not carry any weight and are not material considerations in the assessment of planning applications for residential development or in the preparation of local development plans. The Department has decided not to introduce draft PPS 22 and proposed to pause and fully reflect on the outcomes of the consultation, and await the outcome of further research to provide up to date and NI specific data as the likely economic impact, both positive and negative, of the various options for developer contributions schemes that could be implemented. We are unaware of any subsequent research, findings or conclusions either at the regional or local level.

Specific Objections to Draft Policy HOU03.

- 1.7 We are unaware of any specific research of study done by the Department or the Council on the private housing market in the Fermanagh and Omagh Council area to justify or set out whether the local housing market can afford or absorb the obvious financial costs implicit in Policy HOU03.
- 1.8 We also unaware of any significant work done on the affordability of existing housing in the Council area. What data that has been gathered in the Sustainability Appraisal indicates that affordability over 2010-2012 improved significantly in the council area where the percentage of affordable homes for first time buyers was 73 per cent compared to 43 per cent at a NI level. As a significant majority of houses currently being built in the area are already affordable we see no need to artificially intervene in the private housing market when it is already delivering affordable housing.
- 1.9 The NIHE Housing Investment Plans 2014-2015 for the council area also reports that homes have become more affordable in the district, indicating an improving situation in terms of affordability. This evidence of affordability in the private housing market in the council area clearly undermines Draft Policy HOU03 and its artificial intervention in the market. We see little in the Sustainability Appraisal in terms of the private housing market in the council area, no evidence base on the number of private builders/developers in this area, no evidence base on the financial impact on private builders/developers of this draft policy, no evidence base on the potential impact of this draft policy on the private housing market and in particular house starts and completions, no evidence base on the number and size of planning applications

for residential development within the Council area that might be captured by this draft policy and no evidence base of how builders/developers finance their private housing developments and the potential impacts of this draft policy.

- 1.10 We have also looked at the new dwelling starts in NI between 2010/11 of 7,919 units and 7,517 units in 2017/18, (Source: LPS). We note that between 2011 and 2015 the number of new dwelling starts dropped to 6,487 and 5,994 units. This hardly indicates a private housing market that has recovered from the 2008 recession and is now in a strong position. The Sustainability Appraisal also indicates that the number of households within settlements in the district only increased by 6.74 per cent between 2001 and 2011 compared to a 25 per cent increase in households in the rural area. This again indicates a significant vulnerability in the urban private housing market and hardly illustrates strong recovery in the urban private housing market. Considering the vulnerability of the private housing market and the lack of research on this subject we believe Policy HOU03 has the potential to undermine and threaten this fragile recovery.
- 1.11 In terms of consideration of Alternatives set out at Page 39 of the Sustainability Appraisal is frank where it states that the planning authority stated that “ The SPPS approach to affordable housing within the District would not deliver affordable housing.....”.
- 1.12 The Sustainability Appraisal further states that
“However, there is a current need within the District. An alternative policy has thus been developed to provide an opportunity for some affordable housing to be delivered in the interim. This has been developed in conjunction with NIHE and with selection criteria based on working knowledge of similar policies. “
- 1.13 The Draft Plan is therefore clear that it is going beyond the policy requirements set out in the SPPS. We believe that draft Policy HOU03 goes well beyond current planning policy and cannot be sustained.
- 1.14 We also object to the wording and substance of this Policy. Draft PPS 22 had set out various options to allow in certain circumstances developers the facility to allow Council's to accept commuted payments or alternative provision on other sites of affordable housing. Policy HOU03 has no flexibility within it to allow the Council to exercise any of these potential options and no regional planning policy framework on affordable housing within NI for this draft policy to operate within.

- 1.15 The provision of affordable housing in the UK often depends on economic viability modelling to determine the level and mix of social and intermediate housing to be provided on sites by developers. Draft PPS 22 had a proposal for a Affordable Housing Team (AHT) which would negotiate with developers to determine the proper level and mix of affordable housing contributions/commuted sums. We note no similar provision within Policy HOU03 or the Council's Draft Plan. Policy HOU03 gives no consideration to economic viability modelling whatsoever. Certain housing sites may be very expensive to develop and developers should be entitled to argue that affordable housing contributions should be reduced as they cannot afford to provide at the level determined by Policy HOU03. How can the Council operate or implement this policy without these various options or a team of experts to assess the level of provision and the viability of housing sites.
- 1.16 We fail to see how the Council can operate this policy without further planning policy guidance from the Department on the proposed framework, mechanisms and methodology setting out precisely how affordable housing will be delivered in Northern Ireland.
- 1.17 Policy HOU03 is likely to result in a significant slowdown in the amount of planning applications for new housing development in this Council area due to the degree of uncertainty around the provision of affordable housing. As Council has no policy framework, discretion or expertise in assessing the economic viability of residential development sites developers will not submit planning applications for residential development as they will fear the financial implications of Policy HOU03 which does not take into account financial viability. The policy uncertainty and lack of expertise will further stall the submission, consideration and determination of planning applications for residential development.
- 1.18 Policy HOU03 is potentially damaging to the recovery of the private housing market in the council area as it will potentially impact adversely on land values and upon the appetite of landowners to sell their land to developers.
- 1.19 Policy HOU03 will have the potential to further reduce new housing supply in the Council area as it will act as a disincentive to developers to build new houses.
- 1.20 The proposed threshold of 10 units or more set out in Policy HOU03 is also far too low as it fails to reflect practice elsewhere in the UK and Ireland.
- 1.21 Policy HOU03 will provide a competitive financial advantage to smaller developers building under the ten house threshold or those that simply build single houses.

- 1.22 Policy HOU03 may through increasing costs of residential development force housing developers to withdraw from the housing market entirely or move to other council areas where planning policy is more favourable.
- 1.23 In particular Policy HOU03 has no flexibility and has the following specific flaws:-
1. No option for developers to provide this affordable housing development elsewhere.
 2. No option for developers to provide commuted payments.
 3. No assessment of development sites economic viability.
 4. The NPPF states at paragraph 63 "to support the reuse of brownfield land, where vacant buildings are reused or redeveloped, any affordable housing contribution should be reduced by a proportionate amount". There are no similar concessions in Policy HOU03.
 5. In an up market private development how could a developer integrate social and affordable housing seamlessly and with no distinguishable design differences with private housing. Housing Associations are very rigid on the layout, design and finish of their house types. This policy would force private developers to build in line with Housing Association layout and design standards.
 6. There are legal, logistical, organisation and management difficulties for both housing associations and housing developers in Policy HOU03's requirement for the integration of affordable and private housing on the same housing development.
 7. This draft planning policy is there clearly in conflict within the SPPS, it goes well beyond planning policy and guidance issued by the Department, the policy and Plan is unsound and is clearly in breach of Test C3.
- 1.24 This Draft Plan Strategy is clearly unsound for the following reasons. .
- Policy HOU03 fails test CE3 as it in conflict with the SPPS and it goes well beyond planning policy and guidance issued by the Department.
 - Policy HOU03 fails test CE4 in that it is not reasonably flexible to enable it to deal with changing circumstances.
 - Policy HOU03 fails test CE3 in that there are not clear mechanisms for implementation and monitoring of this policy.

- Policy HOU03 fails test P3 as the sustainability appraisal including Strategic Environmental Assessment in relation to affordable housing is flawed, as the evidence base is inadequate, has not fully considered alternatives and has not been properly carried out.
- Policy HOU03 fails test CE2 as the strategy, policies and allocations are not realistic and appropriate having considered the relevant alternatives and are not founded on a robust evidence base.
- Policy HOU03 fails test CE1 in that the DPD does not set out a coherent strategy from which its policies and allocations logically flow and where cross boundary issues are relevant it is not in conflict with the DPD's of neighbouring councils.

1.25 Therefore, for the reasons set out above we request that the Council refer this representation to the PAC and we wish to appear in front of the Commissioner at the independent Examination in person.